

MEMORANDUM FOR RECORD

SUBJECT: Minutes of the Upper Mississippi River – Illinois Waterway (UMR-IWW) System Navigation Study, Governors' Liaison Committee (GLC) Meeting

1. The subject meeting was held at the Doubletree Hotel Minnesota Airport at the Mall, 7901 – 24th Avenue South, Bloomington, Minnesota, on 26 February 2002. Mr. Gary Loss, Deputy for Programs and Project Management of the U.S. Army Corps of Engineers (Corps) Rock Island District (CEMVR), opened the meeting for Mr. Steve Cobb, Chief of the Planning and Programs Management Division of the Corps' Mississippi Valley Division (CEMVD). Mr. Cobb arrived after introductions and chaired the remainder of the meeting. The 13 November 2001 GLC meeting minutes were approved.

2. Enclosed are the meeting agenda (Enclosure 1); a list of meeting attendees (Enclosure 2); and a copy of the Power Point Presentation (Enclosure 3).

3. Denny Lundberg (CEMVR) provided an overview of the Agenda for the meeting (Power Point Slide 2). He went on to discuss the joint Economics Coordinating Committee/Navigation Environmental Coordinating Committee (ECC/NECC) development of a common understanding sustainability and a vision for the UMR (Power Point Slide 3). During the last ECC/NECC meeting, a group was organized that is referred to as the Oval Team. This group is being used to communicate ideas and provide immediate feedback on the study efforts. Members of the Oval Team include individuals representing various interests, as follows:

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| • Al Fenedick | Environmental Protection Agency |
| • Barb Naramore | Upper Mississippi River Basin Association (UMRBA) |
| • Bill Bertrand | NECC |
| • Bob Goodwin | Maritime Administration |
| • Chris Brechia | Navigation Non-Government Organizations (NGOs) |
| • Dick Lambert | ECC |
| • Heather Hampton-Knodle | Upper Mississippi, Illinois & Missouri Rivers Association (UMIMRA) |
| • Holly Stoerker | UMRBA |
| • Paul Bertels | National Corn Growers Association |
| • Rick Moore | Environmental NGOs |
| • Rick Nelson | U.S. Fish & Wildlife Service |

Denny Lundberg went on to discuss the status of the Interim Report. The outline of the report will include three sections. They are introduction, plan formulation, and implementation issues (Power Point Slides 5-9). A discussion was held in regard to providing the GLC with all the information that is being generated during this process. As it stands now, the information is being provided through the ECC and NECC. It was agreed that all the information would be sent to the GLC simultaneously with the ECC and NECC.

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Denny Lundberg reviewed the Corps planning process, the overall theme of sustainability, and definitions of various components of the study (Power Point Slides 8-12). The Interim Report will attempt to address each of the areas identified in the sustainability slide (Slide 9). Some areas may be addressed directly, while others will have a reference to a future need, or another study effort. The inventory and forecast may overlap with problems and opportunities, which will then lead to the formulation of alternatives. It was noted that all navigation issues will be addressed in the interim through alternatives, but not necessarily all parts of the ecosystem or floodplain management areas.

Power Point Slides 10-12 provided definitions of existing conditions, future **without project** conditions, baseline conditions, future **with project** conditions, measures, alternatives, and scenario. The difference in scenarios versus the normal planning process is that there is no most likely or preferred plan in the scenario development.

The names and affiliated organizations that are developing both the economic and environmental scenarios were provided (Power Point Slide 13). It was explained how the two categories of scenarios would be integrated into the future without scenarios. A discussion was held regarding the collaboration of the scenario development with the economic and environmental groups developing the scenarios, as well as interaction with interested parties through the NECC and ECC.

A graphic of multiple futures without projects, an alternatives assessments matrix, and potential navigation and ecosystem measures were reviewed (Power Point Slides 14-17). It was suggested, for the public meetings, that something be put into the alternatives assessment matrix to allow for a better conceptual understanding of the process. However, it was cautioned that it be very clear this is not the reality, but rather an example. The Interim Report will have specific information regarding navigation measures, including descriptions, cost estimates, implementation issues, and any potential additional authorization that may be needed. The ecosystem improvement measures may not provide as much detail at the time of the Interim Report.

A discussion took place regarding the concern that the environmental component may not be as developed as the navigation component and if the report is moved through too quickly the environmental issues will not be properly addressed. The consensus was that more public input be allowed in the draft Interim Report. Steve Cobb restated that this is an Interim Report that will evaluate many of these issues, but it will **not** make specific recommendations. A GLC member suggested that the public be allowed time to digest all this information and provide input. It was explained that there would be a comment period until 5 April 2002 for the public to address their issues or concerns. It was discussed that the scenarios developed should be considered final at some point in time, but not necessarily by the Interim Report.

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4. Rich Manguno, (CEMVN), reviewed the economics scenario development. He explained that Sparks Company constructed the framework for the development and built the scenarios from the bottom up, that will result in an unconstrained traffic forecast for each scenario. The starting point for the development was to determine the drivers (Power Point Slides 18-22). They were identified as world trade, crop area, crop yield, and consumption. With those drivers, Sparks will develop five scenarios using a developmental framework from unfavorable U.S. trade to favorable U.S. trade and utilization of a matrix system (Power Point Slides 23-24). This exercise will attempt to develop a range of values that capture what is likely or reasonable to occur, with the central scenario being a continuation of existing trends with other developments on the horizon that may occur. It is not intended to be the most likely scenario. There will be no attempt to assign a numeric probability to the scenarios.

Someone asked where crop subsidies were captured. Rich Manguno indicated that could be in the crop area and he will relay the comment to Sparks. The long-term analytic framework is outlined in Power Point Slide 25. It was suggested that if this is a bottom up strategy, that this pyramid be reversed in order. Power Point Slide 26 provides a graphic of effect of traffic as unconstrained, several alternatives, and constrained.

Rich Manguno updated the GLC on the major concerns remaining on the economic issue papers (Power Point Slide 27). There are two general categories that needed to be addressed. The first is traffic forecast. The utilization of scenarios will address this issue. Secondly, the economic benefit model used to evaluate alternatives. The ESSENCE Model will be replaced with the Tow Cost Model.

5. Ken Barr, (CEMVR) discussed the background of ecological issues and the development of the economic scenarios (Power Point Slides 29-36). He reviewed graphics that indicated that biodiversity has decreased over time, but also indicated stakeholders acknowledged you cannot return to some "pristine" past. He emphasized that we need to look to the future and possible events that will further affect biodiversity. He explained the need to establish a desired state and form alternatives that would reach or move toward the desired state.

He went on to discuss three levels (tiers) of river management goals and objectives (Power Point Slide 37). The first two tiers are broad themes which will assist in developing quantified reach specific objectives. Ken Barr provided a comparison of the UMR Coordinating Committee ecosystem management planning goals established in 1994 (Power Point Slide 38) to the goals established for this study. He also indicated that the goals and objectives for the Navigation Study could build on previous UMR System planning goals and objectives or evaluation criteria, such as the Habitat Needs Assessment (HNA) and a "River That Works and a Working River" (Power Point Slide 39).

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Ken Barr addressed the remaining environmental issue paper major concerns (Power Point Slide 40). The two issues are the revised 9-foot channel Environmental Impact Statement and mitigation versus development of a plan for sustainable environment and the implementation of ecosystem measures.

6. Denny Lundberg discussed the public meeting format (Power Point Slide 41) for the public meetings scheduled during the weeks of 12-21 March 2002. After discussion with the GLC and the audience, it was suggested that the 5 p.m. formal presentation time was too early in the evening and that people would just be getting off work. In addition, the group felt that the 2-hour timeframe for the formal presentations was insufficient. Denny Lundberg would consider these comments when formalizing the meeting agenda.

7. Denny Lundberg reviewed the management structure and the time the Federal Task Force is planning to be in St. Louis on 26 March 2002 (Power Point Slide 42-43). He indicated that the Task Force was willing to meet with the stakeholders to discuss the issues. Mark Beorkrem from Mississippi River Basin Alliance, was concerned about what groups would be allowed to meet with the Task Force. The Corps originally thought the newly established Oval Team could be the voice for the various interests. Denny Lundberg agreed to have further discussions regarding this meeting and who would attend. It was noted that the intent is not for the Task Force to meet with a large group or with only one interest.

It was discussed that the Environmental Advisory Board will be in Illinois 9-11 April 2002 (Power Point Slide 44). This group is an advisory group to the Corps' Chief of Engineers, Lieutenant General Robert Flowers. The Corps would like to have a group of stakeholders accompany this Advisory Board as it tours the state. More details will be provided at a later date.

8. Denny Lundberg discussed his notes from the 15 February 2002 briefing on the restructured Navigation Study that was given to congressional staff members at the Rayburn Building in Washington, DC. The following staff members were present: Ken Kopocis, Staff Director/Senior Counsel, Minority Staff, Water Resources and the Environment Subcommittee to the House Committee on Transportation and Infrastructure; John Anderson, Staff Member, Majority Staff, Water Resources and the Environment Subcommittee to the House Committee on Transportation and Infrastructure; and Mike Strachn, Deputy Chief of Staff, Majority Staff, House Committee on Transportation and Infrastructure.

The briefing consisted of a PowerPoint presentation utilizing essentially the same slides presented to the Federal Task Force, and shared with the ECC/NECC and Oval Team. There was very little discussion of the National Research Council review; however, Mr. Kopocis did request a summary of the issues and how we **are** or **are not** addressing them. Mr. Kopocis asked whether the Interim Report would serve as a Chiefs Report. Rich Worthington indicated, yes, although not in the conventional sense, because this is just a status report of the final feasibility study.

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Mr. Strachn asked why the Interim Report would be released, since it is liable to stir up political trouble. The question was then asked whether the report would contain sufficient information for Congress to authorize something in the Water Resources Development Act of 2002 (WRDA 2002). Preliminary cost and implementation information for various alternatives will be provided in the Interim Report, although the Corps would not include a formal recommendation, since compliance with National Environmental Policy Act (NEPA) and other Federal Guidelines would not be complete.

Mr. Kopocis cautioned against using the argument in a scenario analysis, that navigation improvements are needed to help U.S. farmers compete in the world markets. He indicated that the U.S. does not establish price of grain for exports. This is being done elsewhere, and implied that it didn't matter what the U.S. did; it would be difficult to be competitive with South America.

Mr. Kopocis had an understanding of the environmental uncertainty and the difficulty in defining a baseline condition. A copy of "A River That Works and a Working River," and the "HNA" were provided to Mr. Kopocis.

Mr. Kopocis asked whether the Corps would select one scenario for recommendation. He was concerned that the Corps was looking to Congress to make the decision on what scenario to select. We indicated that the Corps would provide a recommendation in the final report, but would not select a single scenario. Alternatives would be selected that do well across a broad range of scenarios.

Mr. Kopocis asked if we intended to seek authorization for something 30 years into the future? Mr. Prather indicated that we would probably not. He was unclear whether this type of authorization had ever been accomplished before. Mr. Kopocis then stated that the Interim Report doesn't sound like a document that should be used for authorizing construction. There was some discussion on the implementation requirements for possible alternatives, and the difficulty in defining an adaptive approach to define a **go, no-go** decision point.

9. The remaining schedule was reviewed with the group (Power Point Slides 46-47). Several conference calls were scheduled with the GLC. They are tentatively scheduled for 27 March 2002 at 1 p.m. and 19 April 2002 at 1 p.m. There is also a tentative NECC/ECC meeting to be held 18 April 2002 in the Quad-Cities.

Comments from States:

Don Vonnahme, Illinois Department of Natural Resources, commented on a previous statement made by a member of the audience that there is an imbalance between the environmental and economic concerns in the Interim Report. Mr. Vonnahme re-emphasized this is an Interim Report, and there will be time in the future for environmental concerns to catch up.

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Comments from Audience:

Addressed within the minutes.

10. The next GLC meeting is tentatively scheduled for 14 May 2002 to correspond with the UMRBA and Environmental Management Program Coordinating Committee meeting on 15 May 2002 at the Radisson Quad City Plaza Hotel and Conference Center, Davenport, Iowa. With no other comments, Mr. Cobb thanked everyone for attending and adjourned the meeting.

3 Encls

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